

6 Renewal of Cal Grant Awards

This chapter covers the process by which Cal Grants are renewed, including notifications to both students and schools and the role of the school in determining a student's eligibility for continued payment.

Each year in early July the Commission begins the renewal process. The Commission's process automatically renews all students who are active program participants (see below) and have remaining Cal Grant eligibility. It is the school's role to determine the student's actual payment eligibility.

6.1 Commission's Renewal Process

Cal Grant A and B

Cal Grant A and B awards are automatically renewed each year for students who satisfied a minimum number of terms and have at least 10 percent remaining program eligibility. (The Commission does not review a student's ISIR record or verify that an ISIR has been filed for the renewal year when determining renewal eligibility.)

"Satisfy a Term" - as defined by the Commission, means, for the minimum number of terms of the previous academic year, to have a Cal Grant payment reported, have a leave of absence applied for the term, or to have another payment type transaction reported, such as not making satisfactory academic progress.

Minimum Number of Terms

The following shows the minimum number of terms, for the previous academic year, that must be satisfied for renewal purposes:

Semester or Trimester	1 term
Quarter	2 terms

Cal Grant C

Cal Grant C awards are awarded for a specific program length and are not included in the renewal process. Awards are automatically carried over from year to year, provided there is remaining program eligibility. Students then receive a "continuing eligibility" letter.

Cal Grant T

From 1998-99 through 2002-03, Cal Grant T awards were made for the equivalent of one full-time academic year of attendance in an eligible program. Therefore, Cal Grant T recipients who were paid for one full-time year were not eligible to renew the grant. Cal Grant T recipients who attended part-time had eligibility remaining and were renewed for a subsequent year. The procedure for renewing a Cal Grant T participant with continuing program eligibility is the same as the procedure for Cal Grant A and B.

6.2 Notification to the Student

Eligible for Renewal

Following the Commission's internal renewal process, the Commission sends a renewal letter to eligible students informing them that their Cal Grant has been renewed. The notification explains that the Commission has determined that the student is eligible for renewal and that the school is responsible for determining their eligibility for payment. The letter advises students that they must complete and file a FAFSA for the upcoming year, if they have not already done so, and to check with their school to determine if any additional documentation is required. The letter does not contain any indication of a potential award amount. The letter also provides instructions on filing a leave of absence and activating a Cal Grant A CC Reserve Award.



A *Renewal Cal Grant Reference Manual*, and a *Recipient Change Form* are enclosed with each letter. Participants can use the *Recipient Change Form* to notify the Commission of changes in school attendance and/or demographic information for the upcoming school year. Students can also use the form to withdraw from the Cal Grant program.

Unable to Determine Renewal Letter

Students whose Cal Grants cannot be renewed due to unreported terms from the prior year are sent an “Unable to Determine” renewal eligibility letter by the Commission around August 1. The letter suggests the student request that their school notify the Commission of their payment eligibility status, or submit a leave of absence if the student was not enrolled. If a payment transaction or leave of absence remain unreported for the minimum number of terms, the student's award will be withdrawn. Several letters are sent to a student prior to withdrawal of a Cal Grant.

Ineligible for Renewal and Limited Remaining Eligibility

During this period, the Commission also sends a letter to recipients whose eligibility for grant benefits has expired and to those who will be expected to use up their eligibility by the end of the upcoming academic year, assuming full-time attendance. The letter also provides specific directions to renewal Cal Grant A and B recipients who plan to enroll in a mandatory five-year program or a teaching credential program, and instructs them regarding how to extend their benefits for an additional academic year.

6.3 Notification to Schools

Students Eligible for Renewal

As students are renewed, they are added to the *Cal Grant Roster* of the school that they most recently attended. This process starts in July and continues through December. Schools are notified via an *Operations Memo* when the renewal process has been completed.

Renewed With Outstanding Transactions

Beginning with the 2003-04 renewal process, schools may view or download a supplemental report, the *Renewed With Outstanding Transactions* report. This report lists all Cal Grant participants whose awards were renewed with an unsatisfied term for the prior year. The report serves to alert schools about any students who may have been eligible for additional payments in the prior year.

Unable to Determine Renewal Eligibility Report

Along with the *Renewed With Outstanding Transactions* report, a report is produced that lists all Cal Grant participants that were on their roster the prior year, for which the Commission was unable to determine renewal eligibility because the student did not meet the minimum term requirements.

The report serves to alert schools of those participants whose grants may be withdrawn unless their status is clarified. The students may have been eligible for payment, or perhaps no leave of absence was reported to the Commission. The report is mailed one month prior to sending the students their *Unable to Determine* letters. This allows the school time to correct any non-payment issues prior to students being notified.



Working the Reports

The Commission advises schools to review both the *Renewed with Outstanding Transactions Report* and the *Unable to Determine Report* and report any outstanding transactions as quickly as possible. This will enable students who should have received payments for the prior year to receive those payments, or file a leave of absence and become eligible for renewal.

Withdrawal Date

The Commission will withdraw the Cal Grant award as of December 31 for all students who appear on the *Unable to Determine* report with

less than the minimum number of terms satisfied for the prior year.

Student Examples/Actions To Be Taken

Below are some situations that may cause inclusion on the *Unable to Determine* and *Renewed with Outstanding Transactions* reports with suggested or required actions for the student, school and/or the Commission:

a. The student was not enrolled at all for the term in question:

Student – Report a leave of absence.

b. The school forgot to report a payment for one or more terms:

School – Report the missing term payment.

c. The student was enrolled at a school other than the one listed on Commission records:

Student – Request school change to school of attendance.

Roster school – Take no action

Actual school of attendance – Report payment if student is eligible.

d. The student was not enrolled for the term(s) in question and was unaware they had a Cal Grant, but is considering attending the next year:

Student – Take a leave of absence for the missing school term(s) and inform the Commission where s/he hopes to enroll for the next year. File a completed FAFSA.

e. The student never informed the school that s/he had a potential Cal Grant and the school has now “closed its books” for that year:

Student - Take a leave of absence for the missing school term(s) and inform the Commission where s/he will enroll for the next year.

f. The school requested verification documentation from the student; it was not received, so the school could not report payment:

Student - Take a leave of absence for the missing school term(s) and inform the Commission where s/he will enroll the next year.

Roster school – Report nothing if student did not submit required documentation.

g. The student was eligible for payment at a community college and no payment was reported. Student wants to save eligibility for future use:

Student – Request a Leave of Absence for the term(s) in question. (The student is only required to report one leave of absence if attending a semester-based school. The other term will be an automatic leave.)

6.4 School Determination of Renewal Eligibility

The school reporting payment makes the determination of a renewal participant's eligibility.

Once an ISIR for the next year is received, schools must review the student's:

- ▶ general eligibility;
- ▶ unmet financial need;
- ▶ remaining program eligibility; and
- ▶ major or academic program

Citizenship and Residency

Students must continue to meet United States citizenship and California residency requirements to retain eligibility for their Cal Grant award.

Satisfactory Academic Progress

Students must be making satisfactory academic progress before grant funds can be disbursed. Schools may use the *Grant Record Change Form for Schools* (G-21), available through WebGrants, or report the appropriate adjustment reason code on the *Grant Roster* to notify the Commission of students who are *not* making satisfactory academic progress.

Minimum Financial Need

Students must have a minimum unmet financial need of at least \$100 to remain eligible for a Cal Grant payment. Minimum financial need is

Chapter 6

calculated as Cost of Attendance (COA), less the Expected Family Contribution (EFC), minus any Pell Grant amount. The income and asset ceilings used for the initial award do not apply to renewal recipients. For more detail on need calculations, see Chapter 6.

Proper Course of Study

Schools should verify students' remaining Cal Grant program eligibility as well as ensure that students are enrolled in a course of study consistent with the type of Cal Grant award they have.

School Notification to Students

Schools are required to notify renewal Cal Grant recipients of their status in the program. Financial aid offices must send the participant a letter, or other confirmation, to notify financially eligible renewal applicants of their Cal Grant eligibility, the amount of the award and any school-specific disbursement timelines and information. Schools must retain evidence of this notification.

Cal Grant participants who contact the Commission about their renewal financial aid eligibility will be referred to their campus financial aid office.

Qualifying for a Cal Grant and a Pell Grant Are Not the Same

Schools should be aware that although many of the application and eligibility determinations for the federal financial aid programs and the state Cal Grant program are the same or similar, there is no direct correlation between the federal Pell Grant and state Cal Grant eligibility.

A student can be eligible for a Cal Grant, but not eligible for a Pell Grant.

It is important that students not disqualify themselves from Cal Grant and other financial aid program consideration based on selection criteria for other programs that do not apply to Cal Grant programs.